

**VPM's**  
**DR VN BRIMS, Thane**  
**Programme: MMS (2018-20) (HR)**  
**Third Semester Examination October 2019**

<b>Subject</b>	<b>Compensation &amp; Benefits</b>		
<b>Roll No.</b>		<b>Marks</b>	<b>60 Marks</b>
<b>Total No. of Questions</b>	<b>7</b>	<b>Duration</b>	<b>3 Hours</b>
<b>Total No. of printed pages</b>	<b>2</b>	<b>Date</b>	<b>25.10.2019</b>

**Instructions: -**

- **Q. No 1** is compulsory.
- Attempt **Any Four** from the Remaining Six Questions.
- Figures to the right indicate marks in full.

**Q.1 Case study:**

**20 Marks**

**Mr. Deshmukh @ Pfizer**

The success of Pfizer has depended on the performance and dedication of our Group company associates. Pfizer has always strived to be an employer of choice that attracts, retains and motivates talented and performance-driven people in our affiliates around the world. Their purpose is grounded in their commitment to fund programs that provide public benefit, advance medical care and improve patient outcomes. Their belief is that all people deserve to live healthy lives. This drives our desire to provide access to medicines that are safe, effective, and affordable. Health for All” is at the core of our company’s purpose. We advance breakthroughs that change patients’ lives by ensuring they have access to quality healthcare services and Pfizer’s medicines and vaccines

Each associate is given a fixed salary based on job characteristics, market competitiveness and the associate’s skills. Salary growth depends on the associate's individual performance and level compared to the benchmark.

Pfizer benefits programs are an integral part of the total compensation policy and strategy and are designed to meet the challenges of the growing, global competition for talent. These programs support the overall business objectives and strategy of Pfizer. Benefits are aligned with local legislation and practices in each country and are established to provide a framework of security for associates.

Mr. Deshmukh joined Pfizer India at their Mumbai office on Jan 2011 as General Manager Marketing. His other CTC components included Office Wear Allowance, LTA, HRA, Medical, and Conveyance, Food coupons, Superannuation scheme, ESOP. He is also a member of Employee Provident Fund.

He had an outstanding career at Pfizer. He resided in Mumbai City by taking a rented accommodation for Rs 21000 per month. In year Aug 2017 he decided to pursue career outside Pfizer for his growth and career enhancement.

He resigned and at time of leaving Pfizer his monthly salary components are as follows:  
Basic Salary: 75000/-, HRA allotted: 25000/-, LTA: 20000/-, Office Wear Allowance: 1800, Medical:1500/-

Food Allowance: 2200/- , Special Personal Allowance : 45000/- Fuel & Maintenance : 10,000/-

As C&B administrator of the Pfizer you are supposed to analyze the CTC structure of Mr. Deshmukh and compute the following:

**Q: 1 Case Study**

1. Compute monthly HRA amount based on the 3 conditions of HRA? (5 Marks)
2. Compute the Gratuity payable (If payable) to Mr. Deshmukh on separation? (5 Marks)
3. Calculate the monthly Deshmukh’s PF contribution on monthly basic of Rs 75000/ (2 Marks)
4. Calculate the monthly employer (Pfizer) PF contribution on monthly basic of Rs 75000/- (2 Marks)

5. Calculate the monthly employer (Pfizer) EPS contribution on monthly basic of Rs 75000/ (2 Marks)
6. As C&B administrator do you feel choice pay elements in CTC structure of Mr. Deshmukh offers him a good variety to choose or you would like to introduce some more components? (4 Marks)

**Q.2 Any two from (a) or (b) or (c) ----- (5x2) = 10 Marks**

- (a) What do you understand by elements of rewards? Explain 5 reward elements?
- (b) Explain the Aims of Market Rate Analysis?
- (c) Justify three factors for Validity and reliability of market rate data?

**Q.3 Any two from (a) or (b) or (c) ----- (5x2) = 10 Marks**

- (a) What are matching jobs within the organizations?
- (b) State and explain *Parameters for Achieving AIM?*
- (c) What do you understand by Job Evaluation? Explain its Principles

**Q.4 Any two from (a) or (b) or (c) ----- (5x2) = 10 Marks**

- (a) With a neat diagram explain reward system elements and interrelationships?
- (b) What do you understand by Allowance? Explain with illustrations
- (c) Comment on your understanding on Performance management & Non-financial rewards?

**Q.5 Any two from (a) or (b) or (c) ----- (5x2) = 10 Marks**

- (a) What are the traits for Successful merit pay program?
- (b) Explain the components of Compensation?
- (c) What do you understand by Inflation, state & explain the formula?

**Q.6 Any two from (a) or (b) or (c) ----- (5x2) = 10 Marks**

- (a) What do you understand by Dearness Allowance & Consumer Price Index?
- (b) What is Gratuity? How do you compute it?
- (c) What is your understanding on Superannuation? Which is Superior Superannuation or NPS ?

**Q.7 Any two from (a) or (b) or (c) ----- (5x2) = 10 Marks**

- (a) What are the 3 Conditions applicable for HRA?
- (b) Justify the need of Employee Provident Fund? Is EPF and PPF same?
- (c) Explain Conditions for calculation of Bonus?